

## **HEALTH CARE FREQUENTLY ASKED QUESTIONS (FAQ)**

### **1. Why do you oppose the House Democrats' health care bill?**

I support health care reform. However, what the House Democrats are proposing goes far beyond fixing the problems we all know need to be addressed. The House bill is a complete upheaval of our current system. That is why the bill lacks bipartisan support. In fact, there is bipartisan opposition to the House Democrats' government take-over. Here are five straightforward reasons why I oppose the bill:

- Health care costs will go up for the government and everyone else
- As many as 2 out of 3 Americans will lose their current health coverage and be forced into the government-run plan
- Raising taxes on small businesses is the wrong solution for an economy in a recession
- The new government run plan will lead to fewer choices and rationing
- The Democrats' plan raises taxes on middle class Americans, which is never a good idea

### **2. What did Republicans do to reform health care when they were in charge?**

Republicans passed several bills that were signed into law during our control of Congress, improving health care in America:

#### **New Medicare Prescription Drug Benefit**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 brought Medicare into the 21<sup>st</sup> Century by providing seniors with a prescription drug benefit, something private insurance plans had offered for decades.

#### **Health Savings Accounts (HSAs) and Tax Incentives for Health Care Coverage**

Republicans passed several proposals to make health care more affordable. We expanded tax incentives to purchase affordable health coverage, including the creation of Health Savings Accounts (HSAs). More than 8 million people are enrolled in an HSA plan today. The Republican Congress also advanced policies to expand the portability of health insurance, privacy protections, and transparency of health care costs, setting the stage for greater adoption of electronic health records, something that will help produce better outcomes at lower costs.

#### **Expansion of Community Health Centers**

Republicans substantially increased funding for and expanded the availability of Community Health Centers, the safety net of providers for Americans who don't have access to primary health care in rural and urban areas.

#### **Fighting Entitlement Program Waste, Fraud, and Abuse**

The Deficit Reduction Act of 2005 included a series of legislative proposals to rein in government over-spending, streamline payment policies, and reduce waste and fraud in Medicare and Medicaid. These reforms provided states with greater flexibility to deliver care to poor populations under

Medicaid with the stronger enforcement protections to prevent millionaires from hiding assets to qualify for Medicaid services as well as illegal aliens.

### **NIH Medical Research**

Republicans successfully doubled the budget of the National Institutes of Health, which will help fund research to develop future medical breakthroughs. The NIH Reform Act of 2006 is transforming how science research dollars are spent and how findings are translated.

### **House Republican Reforms**

House Republicans also moved legislation that would expand opportunities for small businesses to band together to purchase high-quality health care for their employees at a more affordable prices (AHPs) and medical liability reform legislation to eliminate expensive defensive medicine.

Unfortunately these proposals were blocked from consideration in the Senate. If either of these two proposals were law today, we would be starting at a very different place with health reform.

## **3. What taxes will be raised in the House Democrat health care bill?**

The House Democrats bill increases taxes while at the same time increasing the overall federal deficit. CBO estimates that the bill will increase the deficit by \$239 billion in the first ten years. Even this is misleading though, since the tax increases in the bill start immediately, but the new spending is delayed. Once the spending fully starts, the bill adds over \$60 billion a year to the deficit. Among the tax increases in the Democrats bill are:

- **New surtax on individuals** with more than \$280,000 in adjusted gross income (\$350,000 for a couple). The surtax rises with income, reaching 5.4% for individuals with \$800,000 or more in income (\$1,000,000 for a couple). This new tax will push the top tax rate in 39 of the 50 states to more than 50%. Because small businesses pay their taxes through their owners, this new surtax will largely fall on the backs of small businesses. According to the non-partisan Joint Tax Committee, 42% of all small business income will be subject to this new surtax.
- **New tax on individuals** of 2.5% of income if they don't purchase "government approved" coverage.
- **New 8% payroll tax on employers**, forcing employers to offer "acceptable coverage" or pay the tax including:
  - Employers who can't afford to offer health insurance to their employees;
  - Employers who do the right thing and offer health coverage to their employees but the coverage is deemed "insufficient" by the government;
  - Employers who do the right thing and offer "government approved" health care to their employees and some employees decide to purchase coverage elsewhere; and
  - Employers who aren't paying at least 72.5% of an employee's premium (65% for family coverage).
- **New tax on health insurance premiums** to fund comparative effectiveness research that will make coverage through every private health plan more expensive.
- **Limitations on existing use of Health Savings Accounts, Flexible Spending Accounts, and other health related accounts** that will drive up health care costs for individuals using these plans.

- **Additional tax increases on businesses** unrelated to health care, including delay in helpful worldwide interest rules, changes to the international tax rules that could put the U.S. in violation of its treaty obligations, and codification of the economic substance doctrine.

#### **4. What impact will this have on (me) as a (1) senior citizen (2) small businessman?**

See Member district specific breakdown available at: <http://republicanwhip.house.gov/blog/2009/08/by-the-numbers-the-impact-of-the-democrats-health-care-plan.html>

#### **5. How many uninsured people are in the United States, who are they, and why are they uninsured?**

Approximately 47 million people in the United States are uninsured for some period of time in a given year. Within this population:

- Approximately 23% are already eligible for health insurance, but not yet enrolled for a safety net program like Medicaid or SCHIP
- Approximately 22% have incomes that are over 300% of the federal poverty level, but choose not to purchase insurance
- Approximately 9.3 million are not U.S. citizens
- Nearly 60% of the uninsured are under the age of 35
- The true target uninsured population of individuals who are citizens, low-income, and do not qualify for other federal assistance is about 10 million people.

#### **6. Why can't we get the same type of health care that's available to Members of Congress?**

Members of Congress are eligible to participate in the Federal Employees Health Benefits Program (FEHBP). Notably the FEHBP does not include a "government run" plan. Members of Congress and federal employees have the choice of several different options, ranging from Health Savings Accounts to more extensive plans with varying co-pay and deductible requirements. Republicans support providing Americans with affordable coverage options. However, a government-run plan, in which providers are paid below market-Medicare rates, will drive other options out of business. That is why independent studies agree a government-run plan will cause as many as 2 out of 3 Americans to lose their current coverage.

#### **7. What plan is there to help me if I am unemployed and have no health insurance?**

Congress recently approved legislation that expands COBRA coverage (allowing you to continue to pay premiums to a former employer to retain coverage) and provides additional tax credits to unemployed workers for this often expensive coverage. Depending on your length of unemployment, you may still be eligible for federal assistance.

#### **8. I have heard that my health coverage choices will be limited under the Democrats' plan. Is this true?**

Yes, a new unelected, government bureaucrat, the "Health Care Commissioner," would have unprecedented authority to determine what will be "acceptable" health care coverage and set all the rules

for what health care coverage must include in addition to what treatments patients could receive and at what cost. Your current insurance plan may not qualify as “acceptable” coverage. In fact, many plans that are currently options available to Members of Congress through FEHBP wouldn’t meet the proposed onerous requirements. Republican amendments to ensure that people could keep their current health care plans were defeated by the Democrats in all three Committees (Energy and Commerce; Education and Labor; and Ways and Means).

## **9. I've heard that health care will be rationed under the Democrats' plan. Is this true?**

Yes, the current health proposals under consideration in Congress place too much control in the hands of government bureaucrats who will ultimately be able to decide what is “acceptable” coverage, including what health care services and treatments may be covered and at what cost.

Furthermore in February, as part of their economic stimulus bill, Democrats created a Federal Coordinating Council for Comparative Effectiveness Research that has the power to greatly influence and potentially decide coverage decisions about what treatments may be offered to patients based on cost. A draft report issued by the House Appropriations Committee to explain this initiative made clear the ultimate goal:

*By knowing what works best and presenting this information more broadly to patients and healthcare professionals, those items, procedures, and interventions that are most effective to prevent, control, and treat health conditions will be utilized, while those that are found to be less effective and in some cases, more expensive, will no longer be prescribed.*

Comparative effectiveness is already resulting in rationing in Europe. In 1999 the British created their comparative effectiveness organization called the National Institute of Health and Clinical Excellence (NICE). As the Heritage Foundation has noted NICE has routinely used cost to deny patients needed care:

*In 2001, NICE deliberately restricted state-insured sufferers of multiple sclerosis from receiving the innovative medicine Beta Interferon. Claiming that its relatively high price jeopardized the efficacy of the [the National Health System], patients with the more severe forms of the disease were told that they would have to go on suffering in the name of politically defined equity.*

*In January 2009, patients with osteoporosis also fell foul of NICE. The institute declared that only a small minority of patients with this debilitating disease would receive the medicine Protelos, and even they would receive it only as an extreme last resort.*

During the Committee mark-ups of the House Democrats bill, Democrats defeated Republican amendments to prevent rationing.

## **10. Do House Republicans have a health care plan?**

Yes. House Republicans agree that health care in America is too expensive and too many families don’t have access to affordable, high-quality health care. In contrast to the Democrats’ approach that costs too much, covers too few, and forces too many to lose the coverage they currently have, House Republicans have a common-sense plan to reduce costs, expand access, and increase the quality of care in a way that America can afford. You can read more about the plan at: <http://blunt.house.gov/Read.aspx?ID=1171>